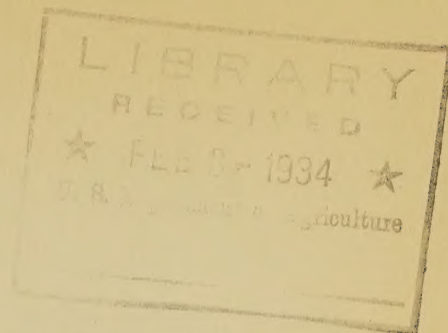


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## HOW TO GET YOUR MONEY'S WORTH IN CANNED GOODS

A radio interview between Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, and Miss Julia K. Jaffray, Chairman of the Welfare Division of the General Federation of Women's Clubs, broadcast on Thursday, October 5, by the N.B.C. and associated stations.

ANNOUNCER:

The National Broadcasting Company and associated stations take pleasure in presenting today another of a series of weekly broadcasts arranged by the General Federation of Women's Clubs to keep the consumers in touch with what is being done to protect their interests and to keep them informed of their part in the National Recovery Program.

Last week Miss Julia K. Jaffray, Chairman of the Welfare Division of the General Federation, discussed with Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, the President's new program for feeding the hungry. This afternoon Miss Jaffray will again interview Dr. Howe.

MISS JAFFRAY:

Dr. Howe, I want to find out how I can get my money's worth when I buy canned goods. With most fresh fruits and vegetables going out of season, that seems to me a timely question for discussion today.

DR. HOWE:

Most timely, I should say.

MISS JAFFRAY:

When I go to my grocer's to buy canned peaches, for instance, I find perhaps 20 different brands. How am I to know which brand is best for my needs?





DR. HOWE:

Select a brand labeled to show grade of quality. In other words, select a brand with labels bearing evidence that the contents of the can conform with standard grade requirements.

MISS JAFFRAY:

Will you explain, Dr. Howe, what you mean by the term, "standard grade?"

DR. HOWE:

I shall be glad to, Miss Jaffray. As you may know, the Secretary of Agriculture, under the Farm Products Grading Law, has the right to promulgate grade standards for canned foods. These standards bear the designations Grade A, Grade B, Grade C, and Off Grade. When you buy products labeled Grade A, B, or C, you know you are buying food up to the standards recognized by the United States Government in all respects. The products which carry the Off Grade or sub-standard labeling are wholesome foods even though they may not be up to the recognized standards in some other respects. No one should be ashamed to buy them.

MISS JAFFRAY:

Can you tell me, Dr. Howe, the foods for which standards already have been established?

DR. HOWE:

Yes. The Secretary of Agriculture so far has promulgated grade standards for canned corn, both whole and cream style.

MISS JAFFRAY:

Just a minute, Dr. Howe. I want to write these foods down as you give them so that next time I need any of them I can look for the labels showing the grade standards you mention. Many in the radio audience will also want to write them down.



DR. HOWE:

Excellent. There are only five in the list. Now if you are ready,  
Miss Jaffray:

MISS JAFFRAY:

The first food you mentioned was corn. I've got that down.

DR. HOWE:

Corn, both styles. The next is peas. Then snap beans and tomatoes.

MISS JAFFRAY:

Peas, did you say? - - - I have that down.

DR. HOWE:

The fourth is snap beans.

MISS JAFFRAY:

I have that.

DR. HOWE:

The fifth is tomatoes.

MISS JAFFRAY:

I've got them all down. Thanks.

DR. HOWE:

I understand Secretary Wallace will shortly announce standards for grape juice and lima beans. Tentative standards are ready for about 20 other products.





MISS JAFFRAY:

But there is no law compelling the consumer to comply with these standards established by the Secretary of Agriculture.

DR. HOWE:

That is true, but fortunately many canners are voluntarily conforming to these standards and labeling their products by the Grade A, B, C, and Off Grade designations.

MISS JAFFRAY:

But supposing my grocers carry no brand that bears these labels in regard to corn, tomatoes, peas and other foods for which standards have been established?

DR. HOWE:

Ask him why he doesn't. Let him know that if he doesn't keep such labeled brands in his stock you will give your trade to a grocer who does. If all the women told their grocers that, it wouldn't be long before all canners were conforming with the recognized standards of grade.

But right here, Miss Jaffray, let me tell you a piece of news: The Agricultural Adjustment Administration hopes through code agreements to bind the canning industry and the grocers to put on the market only canned products that conform in every way with grade standards established by the Secretary of Agriculture.

MISS JAFFRAY:

Before you go on, Dr. Howe, I should like to suggest that many in this radio audience may not be familiar with the fact that both the Agricultural Adjustment Administration and the NRA make codes.

DR. HOWE:

Thanks for that suggestion. I am apt to forget that the public is not as well informed about the phases of the job assigned to the Agricultural Adjustment Administration as those of us who are working in it. If associations of manufacturers and dealers in foodstuffs want trade agreements, they must bring them to the Agricultural Adjustment Administration. These trade agreements do not regulate hours and wages of labor. All hours and wage provisions in all industries are covered by NRA codes. Trade practices in food industries directly affect the farmer whose welfare is the primary concern of the Agricultural Adjustment Administration.





Do you think that is clear, Miss Jaffray?

MISS JAFFRAY:

It is to me, certainly.

DR. HOWE:

Now let me tell you what we are trying to do in order to assure every housewife that when she buys canned foodstuffs she will receive her money's worth in quality. The canners and the grocers both have presented codes to the National Agricultural Administration. The grocers' code will have a public hearing next Monday. The canners will have their hearing shortly after. As consumers' counsel I have asked that one section of the proposed canners' code be amended by a clause which reads as follows -- you don't mind if I read it, Miss Jaffray?

MISS JAFFRAY:

On the contrary, I urge you to read it. Certainly the consumers should know about it.

DR. HOWE:

The clause reads as follows:

"All deliveries of canned food commodities shall be of the grade designated in the sales ticket and invoice in the terms of such grades as the Secretary of Agriculture may promulgate.

"The canning industry affirms the principle that the consumer is entitled to truthful information on the label and agrees that, when after due notice and an opportunity for a hearing consumer grades for any canned food commodities are promulgated by the Secretary of Agriculture, all processors shall conspicuously designate such consumer grades on all labels used by such processors."

MISS JAFFRAY:

By processors you mean the canners?

DR. HOWE:

That is correct. I am asking that a clause similar in principle to the one I have just read be inserted in the grocers' code. This would bind the grocers to handle only canned foodstuff commodities that bear these consumers' grades, A, B, C, and Off Grade.





MISS JAFFRAY:

Speaking for the women over the country who are represented by the General Federation of Women's Clubs I can tell you, Dr. Howe, we receive this news with joy and assure you our organized support in your efforts to have this made part of the two codes. As you know, the Federation for years has been working for standard grading of canned goods, therefore, you can count on it to back you in this important move in every way possible.

DR. HOWE:

Thank you, Miss Jaffray. I know the splendid work the Federation has done in educating the women of the country to the importance of standard grades of quality for foodstuffs.

MISS JAFFRAY:

If the canning industry and the grocers agree to live up to the clause you have read, we will know our work has not been in vain.

Now, may I ask a few questions concerning it to clear up a few points that came to my mind when I heard you read it?

DR. HOWE:

Certainly. Ask as many questions as you wish. I want the women to know exactly what it means to them as consumers.

MISS JAFFRAY:

First, Dr. Howe, let me ask how the clause, if the codes do include it, would be enforced? What if a canner labeled a product Grade A, B or C that was not up to the standard requirements established by the Secretary of Agriculture?

DR. HOWE:

He could be prosecuted under the Pure Food and Drug Act for falsely labeling his product.

MISS JAFFRAY:

Will the entire canning industry and grocery trade come under it?

DR. HOWE:

Yes, all canners and all grocers.

MISS JAFFRAY:

How would it affect my shopping to have canned goods labeled with standard grades?





DR. HOWE:

Make it easy. You would know exactly what quality to buy, no matter what the brand was, to meet your needs and your pocketbook. In other words, if you could afford Grade A which would cost a little more than Grade B and it met your purpose, you would buy it. On the other hand, if Grade B met your purpose just as well, you would save money by buying that. And if you could not afford either, you could buy Grade C, being assured that it was good and up to all standards recognized by the United States government.

MISS JAFFRAY:

In other words, we would be getting our full money's worth whatever grade we bought.

DR. HOWE:

Exactly. As it is now, you cannot be sure you are, except in the case of products put out by canners who are voluntarily complying with the grade standards of the government.

MISS JAFFRAY:

Dr. Howe, let us take one of the five foods for which the Secretary of Agriculture already has established standards--tomatoes, for instance--what is the difference between Grade A tomatoes and Grade B?

DR. HOWE:

There is little difference in quality. Grade A canned tomatoes are selected tomatoes, whole or almost whole, are of uniformly red color and possess the typical flavor of naturally ripened tomatoes. If you wanted tomatoes for salad in the winter, you would buy this grade. On the other hand, if you wanted tomatoes for stewing or sauce or for other uses, Grade B would do just as well. They come whole or in large pieces, are red in color, if not uniformly so, and have a desirable flavor. Grade C tomatoes, which would cost you still less, would do just as well as Grade B for stewing or for other uses. This grade consists of fairly large pieces and has a fairly good flavor.

MISS JAFFRAY:

Dr. Howe, I have a suggestion to make here. From a psychological standpoint I think the use of the letters A, B and C to designate the grades is bad. Many who cannot afford the other two grades would buy Grade C but somehow or other it would become associated, in their minds, with inferior quality. Perhaps, this prejudice is a survival of their school days when C was the lowest mark. Why not use only A in lettering the grades and mark the three grades A, Double A and triple A? Such a system of lettering, I believe, would do away with any suggestion of inferior quality.





DR. HOWE:

Excellent suggestion, Miss Jaffray. Why don't you women take it up with Secretary Wallace?

MISS JAFFRAY:

Are the canners offering objection to the insertion of this clause binding them to label their products according to the grade requirements of the government?

DR. HOWE:

Yes, some of them are.

MISS JAFFRAY:

What are some of the objections raised?

DR. HOWE:

One is the extra expense to them. We contend there will be no extra expense and support our contention by evidence from canners who are voluntarily labeling their products according to the standard grade requirements. For instance in a questionnaire we sent one of the leading canning firms of the country, which has been putting standard grade label products out for some time, we asked whether complying with the government's grade requirements had increased its operating costs. The answer was "Adds nothing to our operating costs."

MISS JAFFRAY:

Then consumers need not fear that the price of canned foods will be increased as a result of the canners adopting these standard grade labels?

DR. HOWE:

Since the canners would be put to no extra expense, any rise in prices on this grounds would be unjustifiable. The Agricultural Adjustment Administration would protect the consumer from any attempt to make grade labeling an excuse for price increase.

MISS JAFFRAY:

Do any claim that it would be difficult to grade their products according to the standards of the government?

DR. HOWE:

Yes. The same firm which I have just quoted states it had no difficulty at all in grading according to these standards. The fact is, the process of grading is so simple that the Bureau of Agricultural Economics, which makes the experiments and tests on which the standard grade requirements established by Secretary Wallace are based, says it can teach any housewife





in half hour's time how to grade canned food stuffs.

MISS JAFFRAY:

As I see it, placing grades on labels would greatly benefit the canners.

DR. HOWE:

Certainly it would. These labels vouching for the quality of their products according to the standards of the United States government would be the best sort of advertisement. Furthermore, by increasing the good will of the consumer, it would increase the demand for canned foodstuffs. Nothing would so catch the interest of the consumers than a united move on part of canners to assure grade labels on their products. The canning firm which I have twice quoted says in answer to our questionnaire on this point: "We think it would be to the interest of all concerned to show standardized grades on labels."

MISS JAFFRAY:

It would benefit grocers, too, if they bound themselves through their code agreement to handle no canned products except those with grade labels.

DR. HOWE:

Yes. They would increase the good will of their customers and increase their trade in canned goods.

MISS JAFFRAY:

How about the small canner?

DR. HOWE:

Since the grade label would in itself be an advertisement of the product which bears it, the smaller, efficient canner would be able to compete with the large canner, who can afford to advertise his products extensively, on a basis of quality competition.

MISS JAFFRAY:

Would the farmer be benefitted?

DR. HOWE:

Very much so. Increased demand for canned goods would mean larger market for his fruit and vegetables and consequently more money in his pocket.

MISS JAFFRAY:

Dr. Howe, will you sum up all the advantages for the consumer?



DR. HOWE:

In the first place, it would enable consumers to obtain what they want when they want it. If they want first grade quality they will get it. If they want a good but less expensive quality they will get it.

It would enable the housewife to get her full money's worth in buying canned foods. She would buy with her eyes open.

I can't understand why the canners and the grocers as a whole do not realize that by placing grade labels of quality on their products they would build up consumer confidence in canned foods to an extent that no other agency could do. It would make possible a co-operation with the consumer that would yield more profits.

MISS JAFFRAY:

Dr. Howe, I know the Agriculture Adjustment Administration will have the consumers behind it in this.

DR. HOWE:

We feel that, if the consumer as part of the recovery program must pay a higher price for food in order that agriculture and labor may be more adequately paid, he should be able to buy goods plainly and honestly labeled with an intelligent and uniform designation of quality.

MISS JAFFRAY:

I am going to ask members of the Federation of Women's Club in this radio audience, Dr. Howe, to stand behind the Agriculture Adjustment Administration and to write or wire their approval of the clause you are endeavoring to have inserted in the canners' and grocers' codes. I hope other groups in this country will join with the Federation in giving all the support in their power.

As Dr. Howe has pointed out, to have this uniform grade labeling of canned foods will help you, the consumer.

DR. HOWE:

Thank you, Miss Jaffray. May I say a few words to the audience?

I am going to ask all of you women to have paper and pencil ready at our talk next week. You are going to hear something important to you. It will affect you and your community. It will need the help of you women of the General Federation. That means work for you but you will be performing a valuable service to the nation. Don't forget---next Thursday at this time.





## ANNOUNCER:

Thank you, Miss Jaffray and Dr. Howe -- We have just listened to Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, discuss with Dr. Fred C. Howe, Consumers' Counsel of the Adjustment Administration the advantages of buying grade labeled canned foods. This is one of the interviews which officers of the Federation have with Dr. Howe each week at this time on problems concerning the consumer in this emergency period. If you have any more questions to ask about the subject of graded canned foods or any other problem affecting the consumer, send them to Miss Jaffray in care of the General Federation of Women's Clubs in Washington. She will find the answers for you.

-----This is the National Broadcasting Company-----





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HOW THE COTTON TAX AFFECTS THE CONSUMER

A radio interview between Dr. Fred C. Howe, Consumer's Counsel of the Agricultural Adjustment Administration, and Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, broadcast Thursday, October 12th, 1933, by the NBC and a network of associated stations.

ANNOUNCER:

This afternoon you are going to learn just how much the cotton processing tax adds to the prices of cotton goods. The National Broadcasting Company and Associated Stations present Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, who is going to ask Dr. Fred C. Howe, Consumer's Counsel of the Agricultural Adjustment Administration, to clear up misunderstanding as to the effect of this tax on the prices you pay for sheets, towels and other goods. I take pleasure in presenting Miss Jaffray.

Miss Jaffray:

Dr. Howe, I've heard a number of women complain about the cotton processing tax. I think the impression they've got that this tax is solely responsible for price increases in cotton goods ought to be cleared up.

Dr. Howe:

I'm glad you have brought the subject up, Miss Jaffray. You and I discussed this tax in a radio talk in August, but that was before the tax went into effect.

Miss Jaffray:

Now the women are feeling the practical effects of the tax when they go shopping. I think we ought to go over the whole subject again. How about my asking you questions that go into the A, B, C's of the tax, so to speak?

Dr. Howe:

There has been so much misinformation about this tax, especially in regard to its effect on prices, that I welcome the opportunity Miss Jaffray, to answer questions that will lead to a clear understanding of it.

(over)

Miss Jaffray:

I want to ask first why this tax is imposed?

Dr. Howe:

To help the farmer get more for his cotton.

Miss Jaffray:

But just how does it help the farmer?

Dr. Howe:

Before the depression the farmer got as much as 20¢ a pound for his cotton. He had a market for it both here and abroad. In June last year he got as little as 4-1/2 cents a pound--the lowest price in 35 years.

Miss Jaffray:

I don't see how he could make a decent living with that price.

Dr. Howe:

He couldn't. He made a miserable living.

Miss Jaffray:

But what made the prices tumble so?

Dr. Howe:

Overproduction. While more and more cotton was grown, the demand for it in markets, here and abroad, grew less and less.

Miss Jaffray:

Do you mean that industry was using less cotton and we consumers were cutting down on our buying of clothes and the cotton things needed in our households?

Dr. Howe:

That's what I mean. The depression cut down operations in industries, and with their incomes reduced, housewives were buying less cotton goods. Right here I should mention that between 30 and 40 per cent of the cotton used in this country is absorbed by industry. Industrial uses of cotton have fallen

off more than the personal and household uses.

Miss Jaffray:

Then the bigger the surplus of cotton grew, the lower the price went.

Dr. Howe:

Yes, In 1932, when the price went lowest of all, the cotton farmer earned an average of \$215.

Miss Jaffray:

Was that all the income he had?

Dr. Howe:

For many cotton farmers of the South this represented all, or a large part, of their income for the year.

Miss Jaffray:

Let's see---that would mean about \$3 or \$4 a week.

Dr. Howe:

Just about \$4 a week.

Miss Jaffray:

Why that's a mere pittance, Dr. Howe!

Dr. Howe:

And, mind you, Miss Jaffray, that \$4 a week had to cover all their expenses of planting and gathering the cotton, as well as pay for their hard work.

Miss Jaffray:

Of course, prices of the things they had to buy also came down but \$4 a week can't buy much even with low prices.

Dr. Howe:

While their own pay was touching bottom, prices of the things they needed came down only part way. The cotton farmer who had to buy an ordinary work shirt, which has in it less than a pound of cotton, paid the equivalent



of 10 pounds of cotton for it.

Miss Jaffray:

I should think he would have become too discouraged to go on.

Dr. Howe:

That's the way it would look to you and me, Miss Jaffray, but, remember the cotton farmer has all his money invested in his cotton fields. And he has given years of hard work to raising cotton.

Miss Jaffray:

I feel indignant on his account, Dr. Howe,--that he should have to pay so much for something that contains the product which he himself has labored so hard to produce and for which he gets almost nothing. One thing the depression has done, Dr. Howe, is to give the consumers in the cities a sympathetic understanding of the farmer's problems.

Dr. Howe:

I'm glad to hear that, Miss Jaffray. Understanding the farmer's problems makes the city consumer realize how dependent he is on the farmer, not only for the things he eats and wears, but for his opportunities to earn a livelihood. If the farmer fails to prosper, industry and business suffer. Factories close down, business retrenches, wage earners are thrown out of work and all incomes fall.

Miss Jaffray:

With all those millions of bales carried over from last year, I should think cotton farmers would have planted very little cotton or none at all this year.

Dr. Howe:

That would seem the sensible thing to do, to us who are not cotton farmers. But, as I have said before, we must consider their viewpoint. For at least

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a million and a half farmers, cotton is the most important crop. They depend on cotton to make their living. In the second place most of them couldn't earn any more if they turned to any other kind of farming. Furthermore, they must produce something, because they have heavy taxes and debts to pay and they have to live.

Miss Jaffray:

But you'd think they'd produce less cotton.

Dr. Howe:

If you were a cotton farmer, Miss Jaffray, you'd figure that if you stopped producing or cut down your production, other cotton farmers would not, therefore it wouldn't do you any good. The only sure and fair way cotton farmers could hope to reduce this year's crop would be for all of them to act together. And they couldn't do this without the Government's help.

Miss Jaffray:

So that's why the Government stepped in this summer to help the cotton farmer.

Dr. Howe:

You've expressed it exactly. To help the farmers control the amount of cotton they produce is the purpose of the cotton adjustment plan.

Miss Jaffray:

Please tell us how that plan works.

Dr. Howe:

With their cotton already in the ground the Government couldn't ask the farmers to plant less. What it did do was to ask the farmers not to gather all their crop. They were asked to plough under some of the acreage they had already planted. To compensate them for destroying part of their crop, the Government offered to pay them rent for the ground ploughed under. The cotton processing tax was imposed, to get money to pay the farmers.

Miss Jaffray:

How much is this tax?

Dr. Howe:

It amounts to 4.2 cents a pound on the net weight of cotton.

Miss Jaffray:

The question that interests us consumers most is how we can figure out the amount this tax adds to the cost of the cotton goods we buy?

Dr. Howe:

Right here, Miss Jaffray, I want to refer to testimony given by Washington store executives at a hearing we held yesterday morning. We called this hearing because complaints, and our own investigation, disclosed that in many stores salespeople were attributing increases in the prices of cotton goods to the cotton processing tax alone. Naturally this created resentment against the tax on the part of the consumers. At the public hearing we held yesterday, executives of Washington's leading department stores--I hope all of you women will listen carefully to this---testified that the cotton processing tax was so negligible in relation to total retail prices of cotton goods that as a rule they disregarded it.

Miss Jaffray:

If that is true in Washington, it should be true elsewhere.

Dr. Howe:

It should be.

Miss Jaffray:

Then stores that add the cotton tax to prices on all cotton goods may be taking unfair advantage of the buying public.

Dr. Howe:

That may be true in some cases.



Miss Jaffray:

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Since the cotton tax amounts to 4.2 cents a pound, then the most any retail dealer could add to the retail prices of cotton goods on account of the tax would be 4.2 cents a pound.

Dr. Howe:

You have to allow for waste, Miss Jaffray, so the tax on the manufactured article may come to a little more than that. But it should not be more than 5 cents on the finished article you buy in the stores.

Miss Jaffray:

If a dealer or a salesclerk should tell me that the tax had added ten cents to the price of an article I was buying, how would I know he was telling the truth?

Dr. Howe:

Have him weigh the article in front of you. If it weighs two pounds, the tax could not be more than ten cents.

Among complaints received from Washington consumers was that clerks in some of the department stores had warned them that the cotton processing tax would increase the price of sheets 81 x 99 inches from 15 to 25 cents. As a matter of fact, the tax on a sheet of this size containing about two pounds of cotton and retailing at an average <sup>price</sup> of \$1.25 is just under eight cents. Work shirts weighing nine-tenths of a pound and averaging 85 cents a piece warrant a tax of only three and a half cents. Overalls of just over two pounds of cotton averaging \$1.42 have a tax of about 8-1/4 cents. The tax on unbleached muslin averaging 13 cents a yard with a third of a pound of cotton should be about one cent a yard.

Miss Jaffray:

Have you made an investigation elsewhere than Washington as to whether stores are making the cotton tax the sole excuse for price increase on cotton goods?

Dr. Howe:

Yes. We have investigators shopping in stores throughout the country.

Miss Jaffray:

That should stop false statements to consumers as to the effect of tax on retail prices.

Dr. Howe:

We hope so, Miss Jaffray.

Miss Jaffray:

I have noticed, Dr. Howe that many clerks when they are questioned as to why cotton goods have increased in price cite the fact that both the price of raw cotton and the cost of labor have gone up.

Dr. Howe:

It is true that the higher prices of cotton and labor justify the retailer in increasing his price on cotton goods to the consumer, but the question is how much of an increase is reasonable. Again let me refer to the testimony of the Washington store executives. They declared the manufacturers and wholesalers were responsible for any unjustifiable increases in retail prices. They complained of low profits in spite of the increased prices they are charging consumers. According to their testimony, they are forced to bear the burden of unfair prices, charged them by the mills and wholesalers.

Miss Jaffray:

Then the retailer is not always to blame for unreasonably high prices?

Dr. Howe:

I should say not, after listening to the Washington retailers.

Miss Jaffray:

How is the consumer to find out whether the retailer is to blame?

Dr. Howe:

Go to the head of the store in which you shop and find out. If he tells

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you the cotton tax has increased the retail price on cotton goods, ask him to show you his invoices. If prices are unduly high, these invoices will show whether he is responsible for passing the tax on to you.

Miss Jaffray:

The heads of Washington stores who testified at your hearing were not compelled to appear, were they?

Dr. Howe:

No, we simply asked them to come. They voluntarily furnished us with information we sought.

Miss Jaffray:

That would indicate that they were willing to cooperate with the Government and the consuming public.

Dr. Howe:

I was impressed by their spirit of cooperation. I feel, Miss Jaffray, that they are typical of reputable retailers throughout the country. If the consumers keep alert, demand that the retailers they patronize present to them facts justifying an increase in price that seems unreasonable, the profiteers will soon be driven out of business.

Miss Jaffray:

I agree with you, Dr. Howe.

Dr. Howe:

Speaking again of the cotton processing tax, I want to emphasize in the minds of you women that this tax, going directly to the farmer, puts money into his pocket to buy the things he needs for himself and his family. The number of people living on farms in this country represents one third of the population of the United States---forty million people. Think of the enormous buying power of that farm population.

Miss Jaffray:

To sum up, Dr. Howe, your advice to us women in buying cotton goods is this: Don't take the word of a salesclerk that the cotton tax alone is responsible for increase in prices.

Dr. Howe:

That's my advice, Miss Jaffray. Demand to see the store owner or manager. Cite to him that the big Washington retailers say the tax is so small in relation to total retail prices that as a rule they do not add it to the prices of cotton goods sold their customers.



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SUGAR FACTS FOR THE CONSUMER

A radio interview between Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, and Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, broadcast October 19, 1933 by the NBC and a network of associated stations. [ \* FEB 5-1934 ]

ANNOUNCER:

The National Broadcasting Company and Associated Stations present Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, and Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, in another of their radio interviews dealing with consumer problems under the National Recovery Program. This afternoon they will discuss sugar. Miss Jaffray in her interview with Dr. Howe will bring out many interesting facts about sugar--facts consumers should know. I take pleasure in presenting Miss Jaffray.

MISS JAFFRAY:

Dr. Howe, I have here a letter from a Colorado woman who complains that nothing is being done for the sugar farmer. Her husband raises sugar beets, and she wants to know why he has to pay more for everything he buys while the price of sugar is declining.

DR. HOWE:

I will have to go into the general problem of sugar to answer that question properly, Miss Jaffray.

MISS JAFFRAY:

I wish you would, Dr. Howe.

DR. HOWE:

There has been a decline in retail sugar prices for several years. In 1923 the average housewife paid about 10 cents a pound for sugar. In 1928 a pound of sugar cost her about 7 cents. Last year the average price for a pound was 5 1/10 cents.

MISS JAFFRAY:

Then the price began going down before the depression. What caused it to go down?

DR. HOWE:

The depression is partly responsible for the present plight of the sugar industry but the world sugar market was upset long before the depression. The most upsetting influence was the World War.

MISS JAFFRAY:

The war caused a sugar shortage, didn't it?



DR. HOWE:

It did. It completely dislocated the world sugar trade. It destroyed two thirds of the beet sugar industry in Europe and led Cuba and Java, two of the biggest cane sugar sources, to expand production. Because there was a world shortage in sugar, prices went sky high and Cuba and Java were prosperous. When the European countries recovered and again began to build up their beet sugar industries, the expanded cane sugar industry did not give way. World production overtook world consumption and passed it. Ever since there has been a world surplus of sugar.

MISS JAFFRAY:

Didn't sugar consumption increase at all?

DR. HOWE:

Yes. World consumption of sugar has been increasing on the average of about 5 per cent a year but production of sugar rose more rapidly. Before the War, world production was 20,500,000 tons. Following the War, production grew to 31 million in 1929 and to more than 32 million in 1931.

MISS JAFFRAY:

How big is the sugar surplus in this country?

DR. HOWE:

The United States has never produced enough sugar to have a surplus. The fact is, sugar farmers in the United States produce only about 25 per cent of our sugar needs. Even with the cane sugar supplied by our island territories, the Philippines, Hawaii, Puerto Rico and the Virgin Islands, production does not come up to consumption. To make up the balance we have to depend on imports from Cuba.

MISS JAFFRAY:

Dr. Howe, isn't the bulk of our sugar production beet sugar?

DR. HOWE:

That is correct, Miss Jaffray. There are only two cane sugar states -- Louisiana and Florida. Louisiana provides the bulk of cane sugar produced within the United States, but Louisiana and Florida together produce only a small percentage of the cane sugar we consume.

MISS JAFFRAY:

You said a minute ago, Dr. Howe, that world consumption of sugar has increased on the average about 5 per cent. How much has it increased in the United States?

DR. HOWE:

The sugar consumption in this country has been decreasing instead of increasing, Miss Jaffray. You know you women have gone in for dieting during recent years. To be fair I should add that a lot of the men have also. The decreased consumption of sugar in this country is partly due to this dieting. Reduced incomes and unemployment also are partly responsible. Families trying to stretch out their





shrinking incomes cut down on cake baking, desserts and other dishes that need sugar.

I think it would be interesting to cite the figures for our 1932 consumption of sugar showing how it decreased over the year before.

MISS JAFFRAY:

I should like to hear them, Dr. Howe.

DR. HOWE:

Our total sugar consumption in 1932 amounted to just about 5,200,000 long tons. We used nearly 5 per cent less sugar than we used in 1931. Let me put those figures another way. If the total amount consumed had been equally divided among all the people in this country, each person would have consumed 93 pounds last year against 98 pounds in 1931. The 1933 consumption will run about the same.

MISS JAFFRAY:

What part of this sugar we consumed in 1932 was produced within continental United States?

DR. HOWE:

All the beet sugar. About 21 per cent of the total amount of sugar consumed was beet sugar.

MISS JAFFRAY:

How about cane sugar--how much of that did we produce?

DR. HOWE:

Only about 150,000 long tons.

MISS JAFFRAY:

Then most of the sugar we ate came from the island territories and Cuba.

DR. HOWE:

That is correct. Hawaii, the Philippines and Puerto Rico produced, roughly speaking, 2,400,000 tons of the total we consumed and Cuba, 1,500,000. Some 22,000 tons were imported from other countries. These figures are in terms of refined sugar.

MISS JAFFRAY:

Is there any difference in quality between beet sugar and cane sugar?

DR. HOWE:

There is none at all for ordinary uses. I understand there are some special uses for which some say beet sugar cannot be substituted for cane sugar. The consumer finds it as sweet as cane sugar and in every way its equal in quality.



MISS JAFFRAY:

I should think, Dr. Howe, that we could raise enough beet sugar to supply all our own needs without depending on the outside.

DR. HOWE:

It would be possible, Miss Jaffray, but you should not forget that this would mean the continuance of a high tariff policy for sugar. Cuba's economic condition would become even more critical than it is now.

MISS JAFFRAY:

Does Cuba's economic condition affect us?

DR. HOWE:

It certainly does, Miss Jaffray. Cuba depends on us chiefly for its farm products. If our sugar farmers produced all the sugar we consumed they would have to be protected by higher tariff and, as a result, Cuba, which depends so largely on the United States market for sale of its sugar, would lose it. In turn farmers in this country would lose an important market in Cuba for their farm products.

MISS JAFFRAY:

Have the sugar beet farmers been increasing their productions?

DR. HOWE:

They have. We have been producing more and more beet sugar in this country. Last year we had the largest sugar beet crop in our history. That means, of course, the largest beet sugar production. We will surpass that record for 1933. The first million acre crop in history was planted for the 1933 season. This means a 25 per cent increase over the acreage planted in sugar beets last year. This increase in planted area, after allowing for probable abandonment of acreage, indicates a production of about 200,000 tons more beet sugar than was produced in 1932.

MISS JAFFRAY:

I should think increased production would mean more money for the farmers who raise sugar beets since we don't produce nearly the amount of sugar we need.

DR. HOWE:

Unfortunately, Miss Jaffray, it doesn't work out that way. Remember, there is an enormous world surplus of sugar. When there is more to be sold than can be got rid of, each seller is anxious to make concessions to dispose of his surplus. He prefers to sell at lower prices than not at all. You must also bear in mind that the cost per unit goes down with increased production.

This sort of selling pressure in the case of sugar has held the United States price of sugar at a rather low level. By achieving larger production they are merely decreasing sugar prices further, taking into account the supplies coming from our island territories and Cuba.





MISS JAFFRAY:

How many sugar producing farmers are there in the United States, Dr. Howe?

DR. HOWE:.

There are about 42,000.

MISS JAFFRAY:

Have they fared as badly under the depression as the other farmers?

DR. HOWE:

For one thing, their sugar beets have been getting a better price than other agricultural products. The price of raw sugar in this country has been  $3\frac{1}{2}$  times the world price because of the tariff on sugar. Don't forget however, that the world price for sugar is very low.

MISS JAFFRAY:

What has the beet sugar farmer been getting for his beets?

DR. HOWE:

The average price per ton of sugar beets received by producers for the marketing season of 1932 was about \$5.10. That was 84 cents less than he received in 1931 and \$2.04 less than he received in 1930. Before the war the average price per ton was \$5.57, only a few cents more than it was in the depression year of 1932.

MISS JAFFRAY:

But what about his cost of living?

DR. HOWE:

That's the point that must be considered now that prices of other commodities are going up. As the Colorado woman who complained to you pointed out, the things the sugar farmer buys for himself and his family are costing more.

MISS JAFFRAY:

Has the Agricultural Administration been considering a processing tax on sugar to help out the farmers who produce beet sugar and cane sugar?

DR. HOWE:

No, for the reason that sugar was not one of the basic commodities included by Congress in the Agricultural Adjustment Act. Therefore, no processing tax can be placed on it as in the case of cotton and wheat.

MISS JAFFRAY:

But the Government intends to help out in some way, doesn't it?



DR. HOWE:

Yes, indeed. The act provides for giving farmers pre-war purchasing power for various farm commodities; therefore, sugar beets and cane must also be dealt with.

MISS JAFFRAY:

Wasn't some sort of agreement presented to the Secretary of Agriculture by the sugar industry aiming to improve the situation for the sugar farmers?

DR. HOWE:

An agreement was proposed to the Secretary which aimed to deal with the entire sugar problem, but was not worked out primarily to help the beet and cane growers.

While there are only 42,000 farmers producing cane or beets, there are some 6,000,000 farmers who are consumers of sugar. Under the proposed agreement the increased cost of sugar to those 6,000,000 farmers would be more than \$14,000,000 for every half cent increase in price. Furthermore, the agreement did not contain sufficient assurance that the growers would receive the benefits of any increase in price.

As a result, Secretary Wallace announced on October 9, after a conference with the President that no action on this sugar marketing agreement is practicable at this time.

MISS JAFFRAY:

It would be hard on the city consumers also to have to pay one-half cent more for each pound of sugar.

DR. HOWE:

That fact was also considered. Under the proposed agreement city consumers would be obliged to pay an additional \$43,000,000 on their annual consumption of sugar if the price were increased one-half cent a pound.

MISS JAFFRAY:

Won't some agreement be worked out that will be fair to all?

DR. HOWE:

It is proposed to put through beet sugar and cane sugar marketing codes as far as may be feasible, but without the basic quota agreement I just spoke of. Those other measures are now being considered.

MISS JAFFRAY:

In how many states, Dr. Howe, are sugar beets produced?

DR. HOWE:

There are ten states in which sugar beets are raised on a large scale and seven others in which they are raised to some extent.





MISS JAFFRAY:

About how many are employed in the sugar industry?

DR. HOWE:

There are two classes of labor employed--one class works in the cane sugar refineries and the beet sugar factories; the other class is composed of the field laborers. There are no official figures on the number of field laborers but it is estimated that there are 30,000 workers employed in the beet fields of Colorado, which is the largest beet producer among the states. There are about 20,000 workers employed in the refineries and beet sugar factories of the country.

MISS JAFFRAY:

Isn't the field labor employed in the beet fields mostly Mexican?

DR. HOWE:

I understand that is true. And the record in hearings held by the Agricultural Adjustment Administration on the sugar agreement disclosed lamentable child labor conditions. It is proposed to eliminate those conditions through the agreement now pending.

MISS JAFFRAY:

That's good news, Dr. Howe! With child labor abolished in the beet industry--think what it means. The NRA has abolished child labor in the textile mills. Now if the Agricultural Adjustment Administration succeeds in eliminating child workers from the beet fields, we women who have been fighting so long to prohibit child labor will feel that our efforts have not been in vain.

DR. HOWE:

We are accomplishing a lot of things under this National Recovery Program which we have not been able to accomplish before.

MISS JAFFRAY:

The women are behind the Administration in its good work. I want to tell you, Dr. Howe, I've learned a lot about sugar this afternoon that I never knew before. I think the facts you have given are important to us consumers.

DR. HOWE:

I believe they are, Miss Jaffray. When you write your Colorado correspondent assure her the Administration is considering how to raise the purchasing power of her husband and other sugar producing farmers to meet the rising cost of living. And you consumers may be sure that your interests are not being forgotten.

ANNOUNCER:

Thank you, Miss Jaffray and Dr. Howe. You have just heard another talk in a series of radio interviews between officers of the General Federation of Women's Clubs and Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment



Administration on problems relating to the interests of the consumer in the National Emergency Program broadcast every Thursday afternoon at this time by the National Broadcasting Company and Associated stations. If you have any questions to ask write the General Federation at its Washington headquarters.





## WHAT WOMEN CAN DO ABOUT MILK

A radio interview between Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, and Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, broadcast Thursday, October 26, by the N. B. C. and a network of associated stations.

ANNOUNCER:

This afternoon you are going to hear one of the things the women can do to make the agricultural recovery program a success. In another of their radio talks Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, and Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, will discuss a program for the women to help consumers meet the rising tide of prices and aid the farmers to attain parity in purchasing power. I take pleasure in presenting Miss Jaffray.

MISS JAFFRAY:

Dr. Howe, I think it is time to get down to the question of what the women can do to help the agricultural recovery program.

DR. HOWE:

That's good. And they can do a lot, Miss Jaffray. As consumers, they have a real service to perform.

MISS JAFFRAY:

I agree with you. I feel that they should have a definite program setting out the things they can and should do.

DR. HOWE:

It would be splendid to have such a program. As purchasing agents for the family, women represent the large mass of consumers. They can demand fair prices and get them.

MISS JAFFRAY:

I believe with the right program to guide them the women of the country will do 100 percent team work to put it over. Such a program, I feel, should have one big objective and that is closer cooperation between the city consumers and the farmers.

DR. HOWE:

That's fine, Miss Jaffray. If our talks have given the city consumers an understanding of the farmer's problems and made clear that the prosperity of the one depends upon the prosperity of the other, they have been of value, if they have done nothing else.

(over)

MISS JAFFRAY:

The responses I receive make me feel that the women of the country do understand that the success of our national recovery program depends on restoring the farmer's purchasing power. That is why I am so confident that they will give wholehearted support to any program pointing out to them things they can do to help along agricultural recovery.

DR. HOWE:

That's encouraging! The farmer only wants fair prices for his products. The women can help him get them. Bear in mind that you will benefit yourselves and all other consumers by helping him.

MISS JAFFRAY:

We want to help him. Now this program which suggests things for the women to do---the first thing on such a program I think should be milk. The women should start by looking into the milk situation in their community.

DR. HOWE:

The health of children depends on an adequate milk supply. Milk should be the first and most important subject in a program for the women. Certainly it concerns the mothers more than any other food.

MISS JAFFRAY:

What I have in mind is to have organized groups of women in each community get together and select a representative committee to go into the whole question of milk. Please suggest, Dr. Howe, some of the things such a committee could do.

DR. HOWE:

Let's start at the question of price. Are the consumers being charged too much? Are the farmers who supply the milk getting a fair price for it? If the price to the consumers is too high, who is getting the excessive profits? To get at these questions properly a committee such as you have in mind should go to the milk distributing companies and ask how much they pay the farmers for their milk. It would be an easy matter to check up with the farmers on the figures given by the distributors. The spread or difference between the price per quart which the distributors pay the farmers and the price they charge the consumers represents the gross income per quart received by the distributors. If you knew the overhead expenses of the distributors, their labor and operating costs, you could deduct them from this gross income and find out the clear profit made by the distributors on every quart they sell.

MISS JAFFRAY:

But even then how would you know whether the price to the consumers was too high and whether the distributors were making excessive profits?

DR. HOWE:

After you find out the gross income that goes to the distributor, compare it with the gross income made by distributors in other cities comparable to your city in size.



MISS JAFFRAY:

To make it clearer, let us say a committee of women investigating milk prices found that the distributors in their city were paying farmers only 4 cents a quart and were charging the consumers 11 cents a quart. In other cities of a similar size they found that the farmers were being paid the same price for their milk, that is, 4¢ a quart, but the distributors were charging the consumers only 9 cents a quart. They would be justified wouldn't they, in stating that 11 cents a quart was too high?

DR. HOWE:

That might be true. The distributors in their city would be making 7 cents gross spread per quart against 5 cents in the other cities. In cities like New York and Chicago the distribution problem is more complex naturally than it is in cities of smaller size yet you will find consumers in cities with less population than Chicago paying higher prices for milk than Chicago consumers. But of course you must bear in mind differences in labor and operating costs as between different communities. Farm prices are not always the same.

MISS JAFFRAY:

What happens to the farmer's milk after it gets into the hands of the distributor?

DR. HOWE:

Before we get to that, it has to be hauled from the farm, sometimes by train, sometimes by truck. Then it is tested, clarified and pasteurized at the distributing plant, then bottled and sent out for delivery to customers.

MISS JAFFRAY:

It seems to me, Dr. Howe, that one of the things that would be looked into is this matter of grades for milk. A committee of women investigating the milk situation ought to find out why there is Grade A, Grade B, and all the other different grades. In some cities, I am told there are three or four different grades.

DR. HOWE:

I know of one city where 7 grades are sold.

MISS JAFFRAY:

Seven grades! Why, how can there be so many different grades?

DR. HOWE:

Probably in some cases the same quality of milk is sold at different prices to the consumers. You can see the advantage to the dealer of selling Grade C milk, let us say, at a higher price to consumers than Grade D although it is actually the same kind of milk as Grade D.

MISS JAFFRAY:

I call that racketeering.

DR. HOWE:

Well, we use different names for things, Miss Jaffray, but consumers do stand a lot of punishment.

MISS JAFFRAY:

As I understand it, milk of the highest grade is the lowest in bacterial contents and the highest in percentage of butterfat.

DR. HOWE:

That's correct.

MISS JAFFRAY:

The farmer has to go to extra expense doesn't he, to put out milk of this high grade?

DR. HOWE:

He does. Besides taking extra precautions in cleanliness he must have the right kind of utensils. The milk must be cooled immediately. He must have special refrigeration equipment for this, unless he is fortunate enough to have a cool well or spring. He is paid, of course, a higher price for this high grade of milk than for his other milk.

MISS JAFFRAY:

He is entitled to a higher price to make up for the extra cost, but what I don't understand is why the distributors tack on an extra charge to consumers, in addition to the extra price they pay the farmer for this grade. In other words, when I buy Grade A or whatever the first grade is termed, I don't see why I should pay a cent more for it than the extra charge the farmer adds to his price in order to make up for the extra expense of putting it out. I don't see that my distributor goes to any extra expense in handling it. All milk handled in this plant goes through the same processes, tested, clarified and pasteurized. This first grade of milk isn't handled any differently. It doesn't cost any more to distribute high grade than low grade milk since it is distributed along with all the other milk. It looks to me that distributors who charge more for this first grade of milk than the extra price they pay the farmers for it are gouging the consumers.

DR. HOWE:

That's another thing for the women to look into.

MISS JAFFRAY:

We certainly should. Another thing, how do we know we are getting our money's worth when we pay more for this first grade of milk? The bottle is merely labeled Grade A or whatever grade term is used to define the highest grade. For all we know we are not getting any better grade of milk than Grade B or any other lower grade. I think the women in every community should insist that bottles of graded milk should have labels telling the consumer



exactly the bacterial contents and butterfat percentage of the milk.

DR. HOWE:

That is an excellent idea. Everyone should know exactly what he pays for.

MISS JAFFRAY:

Another thing that should be looked into is the price of cream. In a lot of places a half pint of cream costs 5 cents more than a quart of milk. That seems to me too high.

DR. HOWE:

The old rule at calculation was that a half pint of cream was equivalent to a quart of milk. That would mean a half pint of cream should not cost more than a quart of milk. Some experts tell me it is still a good rule.

MISS JAFFRAY:

If that rule was followed, then in a city where milk was selling at 13 cents a quart, a half pint of cream shouldn't cost more than 13 cents.

DR. HOWE:

In Milwaukee, for instance, consumers pay 9 cents a quart for milk and 10 cents for a half pint of cream. That seems a fair price in relation to the milk price. Of course, in speaking about prices we can't get a fair picture unless we know the facts. Whether, for instance, the distributor is tacking on an extra cent or more than is necessary.

MISS JAFFRAY:

Dr. Howe, aren't there different methods of buying milk from the farmers for distribution to the consumers?

DR. HOWE:

The one most generally used is the base-surplus price plan. Under this plan the farmer contracts to deliver to the distributor so many gallons of fluid milk. By fluid milk is meant the milk that is bottled and sold to consumers. For all surplus milk, in excess of the definite or basic quantity the farmer contracts to deliver to the distributor, he receives a lower price. Cream under this plan is classified as surplus milk. A lower price is paid for it by the distributor than for the fluid milk he bottles and delivers to the consumers. The balance of the farmer's surplus milk is also sold to the distributor at a lower price to be used for manufacturing butter, cheese and similar products.

MISS JAFFRAY:

Do you mean the distributor pays less for milk used for cream than for the bottled milk he sells consumers?

DR. HOWE:

He does in many instances.

MISS JAFFRAY:

Then, the consumers are being charged excessive prices for cream.

DR. HOWE:

That is true in some places. I think cream prices would be an interesting subject for you women to look into.

MISS JAFFRAY:

Is the farmer assured a fair price for his milk production under the plan you have described?

DR. HOWE:

One of the chief complaints of dairy farmers selling their milk under the base surplus price plan is that they have no way of knowing whether distributors really use the surplus milk paid for at low prices to manufacture into butter and other products, or whether they sell it to the consumers at bottled prices. In other words, some farmers think the unscrupulous distributor buying surplus milk at a lower price than fluid milk sells it to the consumer as fluid milk, thus cheating the farmer out of the extra money he would have received had it been purchased from him at fluid milk prices. Wherever the farmers are represented by strong farmer cooperative organizations, they are able to keep a check on what the distributors are doing with this surplus milk.

MISS JAFFRAY:

Has the farmer any other way of disposing of his milk production except through the distributors?

DR. HOWE:

In some places he sells directly to the consumer, but as a rule only in small communities. The cooperative plan seems most satisfactory to the farmers if they are organized into strong cooperatives. The cooperative milk association composed of the farmers supplying St. Paul and Minneapolis sells nothing but fluid milk to the distributors. This cooperative built its own plant for manufacturing butter and other products from the surplus milk produced by its members.

MISS JAFFRAY:

In our radio talks, Dr. Howe, you said that milk production has been increasing while milk consumption has been decreasing.

DR. HOWE:

Unemployment and reduced incomes have cut down the consumption of milk.

MISS JAFFRAY:

And yet in many places the price of milk has remained high.

DR. HOWE:

That is true.

MISS JAFFRAY:

I think it is most important that women investigate the system of distributing milk in their town.

DR. HOWE:

You are right, Miss Jaffray. It is necessary to look into distribution if you want to find out whether you are getting milk at a reasonable price and whether the farmer is being paid fairly for his production.

MISS JAFFRAY:

Hasn't the Secretary of Agriculture Wallace advanced the idea of making milk a public utility?

DR. HOWE:

Yes. He has questioned whether milk should not be made a public utility just as water, gas and electricity. Milk is vital to the health of children. Grown ups need it also. When you think of having a surplus milk production in this country and children suffering from the want of it, you wonder if something cannot be done to place milk within the reach of all.

MISS JAFFRAY:

We must go after this problem of milk. Let me sum up the things the women can do:

Get the organized groups of women together in your town and have them select a committee that will make a complete study of the milk question.

Find out if the price of milk is too high. If it is, find out why.

Look into the system of distribution.

Look into the matter of grades. Find out whether you are getting your money's worth when you pay extra for the first grade.

Find out whether the farmers supplying milk to your town through distributing companies are getting a fair price.

Find out whether you are paying excessive prices for cream.

Study and discuss this idea of making milk a public utility and the suggestion that we have municipal control of milk distribution.

Use your organized strength as consumers to help solve the milk problem.



DR. HOWE:

That's a fine program, Miss Jaffray. The Consumers' Counsel and the Agricultural Adjustment Administration will help.

ANNOUNCER:

You have been listening to Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs and Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration discuss the things the women can do to bring about fairer milk prices for the consumers and the farmers. Dr. Howe and officers of the General Federation of Women's Clubs discuss problems of interest to the consumers in a weekly broadcast by the National Broadcasting Company and its associated stations every Thursday afternoon at this time. If you have any questions or suggestions to offer, write the Federation at its Washington headquarters.

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A radio interview between Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, and Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, broadcast Thursday, November 2, by the NBC and a network of associated stations.

ANNOUNCER:

This afternoon you are going to hear Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, and Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs discuss the Copeland bill. This bill, which was introduced in the last session of Congress and will come up for consideration in the coming next Congress, provides for the complete revision of the Pure Food and Drug Act. In another of their weekly radio interviews Dr. Howe and Miss Jaffray will tell how the consumers will be protected if the bill is passed by Congress.

MISS JAFFRAY:

Dr. Howe, I have a letter here which will interest you. I'll quote from it:

"I honestly and earnestly want to back the recovery program even to the point of spending all I have to put money into circulation, to help the farmer, to keep the wheels of industry moving. But what is the New Deal doing for me? Does it guarantee to me, the consumer, the same protection it has to industry and to labor? By what token can I recognize honest values on the market? Is the Recovery Administration insisting upon standards and trade practices that will insure protection to the consumers?"

DR. HOWE:

I like consumers to speak out like that.

MISS JAFFRAY:

How would you answer this woman?

DR. HOWE:

I would tell her that the Agricultural Adjustment Administration heartily supports her views. So far as foods are concerned, I can assure your correspondent that it is doing everything possible to protect the consumer. You understand, of course, that only codes of fair practices dealing with foodstuffs are handled by the Agricultural Adjustment Administration.

MISS JAFFRAY:

In one of your recent radio talks you told us that you were trying to have clauses inserted in the grocers' and canners' codes binding the grocers and canning industry to put on the market only canned foodstuffs of standard grades and bearing labels with grade terms.

DR HOWE:

That's quite correct. At every hearing of proposed codes submitted to the Agricultural Adjustment Administration, the consumers of the country are represented through the Consumers' Counsel. We try to have incorporated in every food agreement standards that will guarantee honest goods for the consumer.

MISS JAFFRAY:

If the Copeland bill is passed by the next Congress, the law will guarantee that, won't it?

DR. HOWE:

It will, Miss Jaffray--that is, it will require honest and informative labeling of all foodstuffs. The consumers should be standing behind that bill 100 per cent. When you answer the woman whose letter you have just read, tell her to interest herself in the Copeland bill and rally the women she knows to its support.

MISS JAFFRAY:

I want to know more about this bill. I believe the radio audience would also be interested in hearing you discuss it.

DR. HOWE:

Of course you all know there have been so many immediate things in this emergency program that we seem to have lost sight of the fact that the Copeland bill is part of President Roosevelt's program. It was carefully drafted by officials of the Food and Drug Administration and given to Senator Copeland to introduce in Congress.

MISS JAFFRAY:

It completely revises the present Pure Food and Drug Act, doesn't it?

DR. HOWE:

It does. It puts teeth in it. It aims to insure honesty in food products. It retains all the provisions that have proved effective in protecting the consumer. It corrects or amends those provisions which have been subject to so many different interpretations by the courts that they have become ineffective. It adds provisions designed to control conditions in modern industry which affect the health and economic welfare of the consumer.

MISS JAFFRAY:

When was the present law passed by Congress?

DR. HOWE:

In 1906. In the 27 years that have passed, so many changes have taken place in our industrial and economic life, in our family life, and in our standards

of living that the Act as it now stands, fails to meet our needs.

MISS JAFFRAY:

There are many women who don't know that the present Pure Food and Drug Act does not include cosmetics in its provisions.

DR. HOWE:

When the Pure Food and Drug Act was passed 27 years ago through the efforts of that great champion of the consumer, Dr. Harvey W. Wiley, the use of cosmetics by women was so uncommon that no one thought of including them under the provisions of the Act. If the Copeland bill is passed by Congress, the Pure Food and Drug Act will contain strict provisions protecting women from the charlatans who put out cosmetics unsafe to use.

MISS JAFFRAY:

The present Act has done much to improve food standards.

DR. HOWE:

It has, indeed. But food was a simpler problem when the Act was passed 27 years ago. For one thing, there were not the mixtures of food we have now. And housewives in those days prepared exclusively many of the products which today are almost universally produced by commercial manufacturers. As Assistant Secretary of Agriculture Tugwell has pointed out, there has been a gradual transfer of our national food and manufacturing operations from kitchen to factory. Food manufacturers through scientific methods and mass production find it possible to beat the housewife's cost of production and equal or even better the quality of her product.

MISS JAFFRAY:

Didn't Congress in one of its recent sessions amend the Act in regard to canned goods?

DR. HOWE:

Yes. In 1930 it passed what is known as the McNary-Mapes amendment which provides legal standards for canned products.

MISS JAFFRAY:

Will you make clear what these legal standards mean?

DR. HOWE:

Let us say a can of peaches falls below the legal standard for peaches set by the Secretary of Agriculture. In other words, it is not up to the standard of quality and condition determined by experts. Under the McNary-Mapes Amendment to the Pure Food and Drug Act it must bear a label with the legend: BELOW U. S. STANDARD, together with the explanatory statement: GOOD FOOD - Not High Grade.



MISS JAFFRAY:

That prevents a canner from putting out below standard peaches as choice peaches and making the consumer pay a higher price.

DR. HOWE:

Exactly. The consumer knows what she gets, she knows she is buying below standard peaches and pays accordingly.

MISS JAFFRAY:

Just how will the Copeland bill, if it is passed, affect consumer buying?

DR. HOWE:

The most important feature of the Copeland bill is that it provides for the formulation of food standards having the effect and force of law. The standards which I have just been talking about in regard to canned goods have the force and effect of law. That is why we call them legal standards. The Copeland bill would extend the same authority to the Secretary of Agriculture to establish legal standards for all food products as he now has in regard to canned goods. Under the bill when he sets a standard for a certain food, no court or jury can disregard it since it has the force and effect of law.

MISS JAFFRAY:

But doesn't the Pure Food and Drug Act, as it stands now, protect the consumer against fraud and false statements?

DR. HOWE:

It has provisions intended to do that, and so far as it goes has been effective. The Department has in fact brought more than 22,000 legal actions against adulterated and misbranded foods and drugs. But, unfortunately, as I pointed out, the law does not go far enough to cover many conditions that have grown up since its passage. Since the act contains no provisions authorizing legal standards of foods, it is difficult to prove in court that any specific food product is adulterated and misbranded even though it varies decidedly from the usual composition.

MISS JAFFRAY:

But hasn't the Department of Agriculture laid down certain standards for food products?

DR. HOWE:

A committee of experts appointed by the Secretary of Agriculture has defined standards for certain foods, but, it is another thing, Miss Jaffray, to get courts to uphold these standards. Unlike the standards for canned goods, they are not authorized by law. For instance, the Department of Agriculture in defining tomato paste says it should not contain less than 22 per cent tomato solids. Recently a court threw out the Government's case against a manufacturer



that was selling a thin tomato-like substance which he called tomato paste. It didn't contain anywhere near 22 per cent tomato solids, but the court held it was not in violation of the law because no legal standard for tomato paste exists.

MISS JAFFRAY:

Under the present law, aren't labels required to be honest?

DR. HOWE:

Yes, but it does not require labels to tell the whole truth. There are ways of getting around the present Act. The Copeland bill will shut the loopholes through which unscrupulous dealers or manufacturers escape penalties for violations of the law. There are manufacturers who will cut the quantity of fresh fruits in their preserves in half, making up the difference with water, pectin, and acids and will market this sham product under a distinctive trade name. The bottle containing it will be ornamented with an enticing picture of the fruit involved. The label may not exactly say it is strawberry jam, but implies it. The general appearance of the product and label produce this impression. It may contain only 20 per cent of fresh strawberries, yet the housewife who buys it may be paying as much for it as for jam containing at least 45 per cent of fresh strawberries. Yet the manufacturer who puts it out is acting entirely within the law under the present Pure Food and Drug Act.

MISS JAFFRAY:

Under the Copeland bill, would the labels have to give the consumers the information that would protect them from bogus products like this 20 per cent jam?

DR. HOWE:

Yes. The label will be fully informative. It will tell all the truth about the product. If a food product contains an amount of any poisonous substance such as arsenic or lead which may render it injurious, it will be classed as illegal.

MISS JAFFRAY:

But do any foods have to contain these substances?

DR. HOWE:

There are foods in which there are naturally occurring poisons and others in which traces of poisonous substances are found as the result of more or less unavoidable contamination in the course of growth and manufacture. The quantity of poison may be so slight that it does not harm. In every case brought into court against manufacturers who add poisonous substances to foodstuffs in such quantity as to injure the health of the consumer, the Government must convince the court that the quantity may be injurious. Clever lawyers and experts brought in by the offending manufacturers make every effort to confuse the issue in most cases with the result that sometimes the court upholds the Government and sometimes it does not. The consumer is thus left inadequately protected.

MISS JAFFRAY:

How does the Copeland bill handle this question?

DR. HOWE:

It provides for the establishment of minimum tolerances by the Secretary of Agriculture. That means experts would decide the minimum quantity of poisons that may occur in foods without endangering the health of consumers. This minimum quantity would be decided by taking into account the amount of poisons consumed from all food sources. Substances of highly poisonous character may under the provisions of the Copeland bill be completely banned.

The same provisions will greatly simplify the protection of consumers from poisonous spray residues left on fruit and fresh vegetables. The Pure Food and Drug Administration has had to devote nearly a third of its time and funds to this one problem.

MISS JAFFRAY:

One of the things women complain most about is the fact they purchase a package of some foodstuff and then find the package is deceptive, containing much less of the food than the size of the carton led them to expect.

DR. HOWE:

I am glad you have brought that point up, Miss Jaffray. Under the Copeland bill there is a provision requiring full package and bottle contents. This would do away with bottles with sunken panels or thick sides that make the consumer think she is buying a larger volume of flavoring extract than she is actually obtaining. In addition the requirement of the present law that the label bear a plain and conspicuous statement of net weight or volume will be retained.

MISS JAFFRAY:

Does this Copeland bill provide any protection for the consumer against unsanitary conditions in places where food is manufactured?

DR. HOWE:

It contains a licensing provision which gives the Secretary of Agriculture authority to require certain food manufacturing industries to operate under licenses which impose the adoption of sanitary practices to safeguard the public health. Such power will be invaluable in controlling such outbreaks as the one of botulism a few years ago which almost destroyed the ripe olive canning industry.

MISS JAFFRAY:

Some of the manufacturers are opposing this bill. They claim it would work hardships on them. I should think all honest manufacturers would be for it as strongly as the consumers.

DR. HOWE:

The fact is, Miss Jaffray, the honest manufacturers want it to pass. It protects them just as it protects the consumer. When some woman suffers serious results from using a poisonous skin lotion, honest cosmetic manufacturers find their business hurt. They are as anxious as the Government to put the charlatans out of business. The honest food manufacturers want to put out the chiselers and frauds in their industry.

MISS JAFFRAY:

I should think consumers would be so tired of being cheated and defrauded that they would clamor for the passage of this Copeland bill.

DR. HOWE:

It is up to you women, Miss Jaffray. The opposition is really weak in strength but well organized. If you women organized in support of the Copeland bill, you could put this opposition to rout.

ANNOUNCER:

You have been listening to Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs and Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, discuss the Copeland bill to revise the Pure Food and Drug Act. Dr. Howe and officers of the General Federation of Women's Clubs talk about problems that concern the consumers in a weekly broadcast by the National Broadcasting Company and its associated stations every Thursday afternoon at this time. If you have any questions or suggestions to offer, write the Federation at its Washington headquarters.

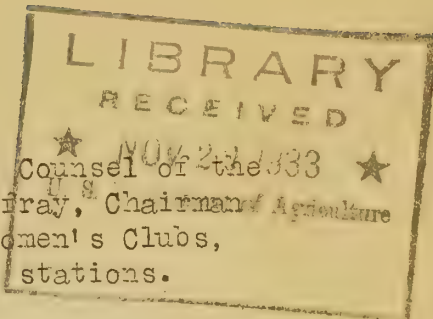




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WHAT THE MIDDLEMAN GETS OF YOUR DOLLAR

A radio interview between Dr. Fred C. Howe, Consumers' Agricultural Adjustment Administration, and Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, broadcast Thursday, November 9, by the NBC and its associated stations.



ANNOUNCER:

You are going to learn this afternoon where your money goes when you buy food supplies for your family. In their weekly radio talk Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, and Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, will discuss the gap between the prices received by the farmer for his products and the prices paid by the consumer. I take pleasure in introducing Miss Jaffray:

MISS JAFFRAY:

Dr. Howe, when I read that the farmers are complaining because they aren't getting enough for their products I wonder where my money goes when I buy food supplies. What I want to know is who gets most of the dollar I spend for groceries if the farmer doesn't.

DR. HOWE:

That's a question all you consumers should be thinking of. Before we discuss it, let's get a picture of what happens to the farmer's products after they leave the farm.

MISS JAFFRAY:

You mean they go through other hands before they reach us consumers through the grocers and other retailers.

DR. HOWE:

Exactly. Let's take milk, to start with. Milk goes from the farm to the distributor's plant. There it is tested, clarified and pasteurized and bottled and then delivered to the consumers at their doorsteps or through retail stores. That disposes of what we call fluid milk. The farmer's surplus milk, that is, the milk left over after the distributor has purchased what he needs for his bottled trade, is made into butter, cheese, ice cream or other products by the distributor or sold to other manufacturing plants. The journey of milk from the farm to the consumer is a simple one compared to the travels of other farm products.

MISS JAFFRAY:

Now about wheat? Doesn't wheat have to go through many hands before it reaches us as flour or bread?

DR. HOWE:

It certainly does. The travels of a bushel of wheat and the flour made from it would look like a Cook's tour. Let's start out with the farmer's wheat as it leaves the farm. Our first stopping place is the country elevator or warehouse. There the wheat is received, tested and weighed by the elevator

operator. Sometimes the elevator operator sells it directly to the mills which make it into flour, but usually he ships it by railroad to a terminal elevator or warehouse in one of the grain centers. At the terminal elevator we see the farmer's wheat pass into the hands of the grain jobber or commission man. Next we follow it to the flour mill. With our wheat now turned into flour we go with it as it passes into the hands of the flour jobber or wholesaler. The next stop in our journey before the farmer's wheat reaches the consumer is the grocery, or if it is to be made into bread, at the baking plant.

MISS JAFFRAY:

So then before wheat reaches us as flour or bread, many people handle it.

DR. HOWE:

You can get some idea how many people have handled it by the fact that before it gets to us it passes through at least six channels. The grain warehouse, the railroad, the grain jobber or commission man, the flour mill, the flour jobber or wholesale grocer, and the grocery. In the operation of getting it to us, warehouse workers, railroad workers, mill hands, office workers and grocery clerks are involved. In getting it to us in the form of bread, bakery workers must be added to this list.

MISS JAFFRAY:

Then when I buy a sack of flour or a loaf of bread, part of the price I pay goes to all these middlemen that stand between me and the farmer who produced the wheat. Are all these middlemen necessary?

DR. HOWE:

That's just the question. We have taken for granted just because this enormous chain of middlemen has grown up between the wheat farmers and us that it must be serving a useful economical purpose. We haven't bothered to question whether there are too many people trying to earn a living and profits on handling food for us.

MISS JAFFRAY:

Let us take a loaf of bread. Can I figure out what part of the price I pay for it goes to the middleman and what part of it goes to the farmer for the wheat contained in it?

DR. HOWE:

Well, let us imagine we had in front of us one of those sliced loaves of bread you can get at almost any bakery or grocery nowadays. This imaginary loaf has 20 slices, weighs one pound and costs 8 cents. Of the 20 slices in our loaf 7 slices represent what we pay for the flour, yeast, lard, and any other ingredients the baker put into it.

MISS JAFFRAY:

That leaves 13 slices to be accounted for. What do they represent?

DR. HOWE:

Our remaining 13 slices taken together stand for the costs involved in making our loaf, delivering it and selling it and the profits made by the baker and the grocer.

MISS JAFFRAY:

Dr. Howe, can you go more in detail as to what costs are involved?

DR. HOWE:

For one thing, there are the labor costs. That is, the wages paid to the workers who were employed in manufacturing our loaf, the man who delivered it and the clerk who sold it. There are many other operating and overhead costs.

MISS JAFFRAY:

Dr. Howe, you haven't told us how many of our 20 slices represent the amount which went to the farmer for his wheat?

DR. HOWE:

The amount of wheat that went into our loaf was 14 and a fraction ounces. For this the farmer was paid a little over 1 cent. If instead of paying him this 1 cent and a fraction, we gave him an equivalent part of our 8 cent loaf to compensate him for his wheat, he would receive a little more than 2-1/2 slices.

MISS JAFFRAY:

Then, if we paid in the same way the grocer, the baker and all the middlemen who had something to do with transporting and distributing his wheat, we would be giving them 17-1/2 slices of bread.

DR. HOWE:

That's correct.

MISS JAFFRAY:

Why, that seems all out of proportion to the 2-1/2 slices the farmer gets!

DR. HOWE:

It certainly is, Miss Jaffray. Let us state it another way. The farmer gets only a little more than one cent of the 8 cents we paid for our loaf of bread. Nearly seven cents or 87-1/2 percent, goes to the middlemen that come between the consumer and the farmer's wheat.

MISS JAFFRAY:

Dr. Howe, how about other products? Take milk for instance. What part of the price I pay for milk goes to the farmer?



DR. HOWE:

First, let us go back to 1929. In September of that year, 43 percent of the price you paid for a bottle of milk went to the farmer. The distributor got the remaining 57 percent. In February 1933, the distributor was getting 69 percent of the money you spent for milk and the farmer only 31 percent. In September, 1933, the farmer's share went up somewhat and there was a decrease in the distributor's share. But the farmer only got 34 percent and the distributor 66 percent.

MISS JAFFRAY:

Then compared to what the farmer gets of the money we spend for food products, a much greater part goes to the middlemen.

DR. HOWE:

That is one of the things the farmer complains about, and justly so. Let us picture a market basket filled with foods that represent the typical monthly purchases of a family. It contains 14 important foods. That is, foods most commonly bought by families. In 1929 this market basket with enough food to supply a family for a month cost us \$26.11. Of this amount the middlemen, the retailers, the distributors and the manufacturers got \$13.71. The farmer got \$12.40, less than half. That was in what we now call the boom days.

Four years later, in February, 1933, this same basket of monthly food supplies cost us \$14.85. Consumer prices were down then. Of this \$14.85 the middlemen got \$10.28, the farmer only \$4.57. In other words the middlemen, the retailers, distributors and manufacturers got 69 cent of our food dollar in February, 1933, where he got 53 cents in 1929, an increase of 16 cents.

MISS JAFFRAY:

Do you mean that the middlemen's share increased during the depression?

DR. HOWE:

Yes, Miss Jaffray. The farmer's share, on the other hand, became smaller and smaller. The wages of the workers employed by these middlemen also sank.

MISS JAFFRAY:

I can't understand why farm prices went down so much more than the distribution prices?

DR. HOWE:

In the first place, Miss Jaffray, the farmer has to produce. He has to sell at whatever price he can get. The distributor's prices don't budge so easily. It is much harder to force down the distributor's costs.

MISS JAFFRAY:

Dr. Howe, it would seem to me that, if some of the middlemen handling distribution were eliminated, those costs could be cut down.



DR. HOWE:

You've hit the nail on the head, Miss Jaffray. Back of all this is the problem of simplifying distribution and making it more economical. Factory managers have gone far in making their plants efficient. Farmers are much more efficient than they used to be. But what has been done to make distribution more efficient? The fact is, instead of simplifying our present system of distribution, we've allowed it to become more complicated.

MISS JAFFRAY:

The more complicated it becomes the more we consumers have to pay.

DR. HOWE:

Exactly. Each time another link is added to the distribution chain, costs and profits are added which we consumers have to pay. In other words, one more middleman added to those already handling the distribution of foods means more costs and profits to come out of the prices we pay for the farmer's products.

MISS JAFFRAY:

Do you know how many workers are employed in distribution compared to the number employed in production?

DR. HOWE:

I can give you an idea of the number employed in all distribution by quoting figures for 1930. In that year there were 12 million workers engaged in distribution. There were 25 million in production, taking the farm and factory combined.

MISS JAFFRAY:

Then according to these figures, there was one worker employed in <sup>distribution</sup> for every two employed in production.

DR. HOWE:

That's correct. Now let me give you some idea of how our distribution system has grown. In the 40 year period from 1890 to 1930 the number of workers in production increased 80 percent. The number of workers in the professions and other occupations increased 200 percent. In the distribution end the number of workers increased almost 400 percent.

MISS JAFFRAY:

It must cost an enormous amount of money to keep this distribution machinery going.

DR. HOWE:

In 1929, almost one-third of the total income of the country went to pay the many middlemen who transfer goods from the producer to the consumer. The nation as a whole paid 27 billion dollars for distributing and marketing goods.

MISS JAFFRAY:

We consumers paid that 27 billion dollars.

DR. HOWE:

You did, Miss Jaffray. The middlemen will continue to get an abnormal share of every dollar you spend until something is done about the distribution problem.

As I have pointed out, the middlemen's share of the dollar spent for food increased during the depression. If it increases now, recovery will slow down. If the time ever came when distribution took 100 percent of the value of the products purchased by consumers, our economic system would break down.

MISS JAFFRAY:

But what can be done to cut down these middlemen costs?

DR. HOWE:

There have been several suggestions made. One is cooperative effort by the distributors in performing some or all the functions of transferring and marketing food products from the farm to the consumer.

MISS JAFFRAY:

How could that cut down the costs of distribution?

DR. HOWE:

Let us take milk distribution as an example. In one town, let us say, there are 15 milk distributors. According to the plan suggested, they would get together and agree to cut down distribution costs by dividing the town into 15 milk delivery zones. The territory would be so divided that each of the 15 will supply milk delivery to the zone nearest his plant. None will sell customers in any other zone except his own. The people who suggest this method say it would eliminate the duplication of milk delivery services and very materially reduce the cost of milk distribution.

MISS JAFFRAY:

But, Dr. Howe, wouldn't reducing the number of distributors be a better way of cutting down costs?

DR. HOWE:

That's a good point, Miss Jaffray. It has been suggested that there be only one big distributor instead of several or many.

MISS JAFFRAY:

But if one distributor has the monopoly, isn't there danger that he will keep the price of milk up and pay the farmer as little as he pleases?

DR. HOWE:

There certainly would be that danger if the distributor was not under some sort of public control.

MISS JAFFRAY:

How then are we going to solve this problem of distribution costs?

DR. HOWE:

One way to do it is by direct selling to the consumer.

MISS JAFFRAY:

Do you mean eliminating all the middlemen between the farmer and the consumer?

DR. HOWE:

It would mean eliminating all except those absolutely necessary to help the farmers in the direct marketing of their goods. The number of persons needed for this would be comparatively small. Except in the large cities and towns, very few workers would have to be employed for this marketing job.

MISS JAFFRAY:

But how could this direct marketing be done?

DR. HOWE:

Through farmer cooperatives. Strong farmer cooperatives. Wherever big farmer cooperatives exist in this country, they do an efficient job of marketing and get fair prices for their member farmers.

MISS JAFFRAY:

The consumers by dealing with such farmer cooperatives also would be getting fair prices.

DR. HOWE:

They would. There would be no share of their food dollar going to middlemen. Their food products would come directly to them instead of passing through complicated distributing machinery.

MISS JAFFRAY:

Dr. Howe, a minute ago you spoke of public control if one big distributor had the monopoly of milk distribution in a town? Wouldn't public control of all food distribution be a solution of the problem?



DR. HOWE:

That has been suggested. That is, public utility control. As you know Secretary of Agriculture Wallace has suggested that economic and effective retail distribution of milk may not be possible until milk is made a public utility and the methods of its distribution very closely controlled. Perhaps, the time will come when we will be forced to regard as public necessities not only milk but other foods vital to the health, and place their distribution under public regulation.

MISS JAFFRAY:

Dr. Howe, I feel something must be done to wake up consumers to the fact that they are footing the bill of this complicated distributing machinery set up by middlemen.

DR. HOWE:

I wish all consumers would study price changes. When they buy food products, let them ask themselves who gets the spread or the difference between the price they pay and the price received by the farmer. When the farmer gets 34 percent of the price charged the consumer for milk, let the consumer ask why the farmer should receive so little for his labor and investment while the middleman is getting 66 percent as his share.

ANNOUNCER:

You have just heard Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration and Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs discuss what part of the money you spend for food goes to the middleman. The National Broadcasting Company and associated stations broadcast a discussion between Dr. Howe and Miss Jaffray on problems concerning the consumers every Thursday afternoon at this time. If you have any questions or suggestions to offer, write the Washington headquarters of the General Federation of Women's Clubs in Washington.



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WHAT ABOUT EGG PRICES?

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A radio interview between Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, and Miss Julia K Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, broadcast Thursday, November 23, by the NBC and a network of associated stations.

ANNOUNCER:

This afternoon you are going to hear about egg prices. In another of their weekly radio talks dealing with problems which concern the consumer in this emergency period under the National Recovery Program, Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration and Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, will discuss eggs from the time they leave the farm until they reach the consumer. They will bring out many facts the housewife should know in order to buy eggs intelligently. I take pleasure in introducing Miss Jaffray:

MISS JAFFRAY:

Dr. Howe, we've discussed food prices in our other talks but we've never gone into the subject of eggs. Has the farmer who makes his living selling eggs fared as badly as other farmers?

DR. HOWE:

Before I answer directly, let's divide the farms of the country into two classes. There are those which produce eggs merely as a side-line. Then there are the farms which depend for the major part of their income on egg production.

MISS JAFFRAY:

I suppose most of the farms in the country produce eggs.

DR. HOWE:

They do. About 85 percent of the farms enumerated in the 1930 census produced eggs. That means more than 5 million farms. But most of them produce eggs only as a side line.

MISS JAFFRAY:

Dr. Howe, do you know how much of the egg output from the farms producing eggs as a sideline goes into the markets?

DR. HOWE:

Enough to supply the eggs used by some 60 million city consumers.

MISS JAFFRAY:

Then most of the eggs sold in the city markets come from the farms where egg production is a side line.



DR. HOWE:

That's right.

MISS JAFFRAY:

Then most of the farmers selling eggs draw most of their income from other commodities?

DR. HOWE:

Yes, but, unfortunately, the prices they get for their other commodities are very low. A farmer may keep only a small flock of hens and sell only a few dozen eggs, but he depends on the egg money he receives each week to buy a pair of shoes for one of the children or some other thing needed by his family.

MISS JAFFRAY:

Is the egg producing part of the farm business as badly off as the other branches of agriculture?

DR. HOWE:

Well, let us see---In answering that, we must consider the price of feed.

If we go back to last year, we find that even at the low prices received by the farmers for eggs then, the egg crop was returning more than other commodities. The farmer had to take low prices for his eggs but his feed cost him less. If he depended on egg production for the major part of his income he was in a better position than the farmers depending on other commodities.

MISS JAFFRAY:

How about this year?

DR. HOWE:

Well, for a time it was a different story. Feed prices advanced more rapidly than egg prices. Then feed prices began falling again while egg prices started to rise.

Now we come to a cheering piece of news. On October 15th, egg prices received by the farmer were slightly better than prewar prices when considered in relation to the cost of feed.

MISS JAFFRAY:

Dr. Howe, let us get this point clear--You don't mean that the farmer is getting a higher price for his eggs than he got in the prewar years.





DR. HOWE:

No, if we consider egg prices alone they are much lower. But with feed costs lower than in the prewar years, the egg farmer finds, after deducting the amount it costs to feed his hens, that he has more left over out of the price he receives for his eggs than he had in the prewar years.

MISS JAFFRAY:

But when we think of the prices of most of the commodities he has to buy, the egg farmer isn't so well off in spite of the fact that his egg prices have been going up and feed prices going down.

DR. HOWE:

That is true. Like all other farmers his purchasing power is still far below prewar level. During the past ten months the average price paid farmers for eggs has been less than one cent higher than the average paid for the corresponding ten months last year.

MISS JAFFRAY:

I think it would be interesting to trace the channels through which eggs pass in their travels from the farm to the city markets.

DR. HOWE:

Well, then, let's try to get a picture of the billions of eggs that go to the big consuming centers. Last year more than 32 billion eggs were produced in the United States - enough to give each person in the United States at least 260 eggs.

MISS JAFFRAY:

Dr. Howe, what happens to the farmer's eggs after they leave the farm?

DR. HOWE:

The farmer sells them to a country buyer. That may be the country store, a huckster or traveling dealer who calls at the farm with his truck, a buyer representing an egg packing plant or some other agency.

MISS JAFFRAY:

After a buyer takes the farmer's eggs where do they go?

DR. HOWE:

The bulk of eggs that reach the consuming centers are taken to egg packing plants where they are candled, graded, chilled and packed for shipping.

MISS JAFFRAY:

And where do the eggs go after they leave the packing house?



DR. HOWE:

They are placed in special refrigerator cars and shipped to a terminal market. Here they are candled again by the wholesaler or jobber who distributes them to the retail trade. The surplus or the eggs that the retail trade doesn't need for sale as fresh eggs are placed in cold storage warehouses.

MISS JAFFRAY:

How much is that surplus usually?

DR. HOWE:

From 13 to 15 per cent of the eggs produced each year go into cold storage.

MISS JAFFRAY:

Dr. Howe, do you know how many eggs are placed in cold storage this year?

DR. HOWE:

On September 1, there were nearly 9 million cases of eggs in storage each containing 30 dozen. Nearly 3 billion eggs.

MISS JAFFRAY:

Aren't more eggs produced in the Spring than any other time?

DR. HOWE:

Yes. The Spring is the hen's most productive season. She reaches the peak of her production in the latter part of April so that in May there are more newly laid eggs that consumers will buy.

MISS JAFFRAY:

When are eggs placed in cold storage?

DR. HOWE:

They start moving into cold storage in March. They keep moving in April, May and June.

MISS JAFFRAY:

When are most of the eggs taken from cold storage and sold to consumers?

DR. HOWE:

They are taken out and put on the retail market in the Fall and Winter when consumer demand is the greatest and there are fewer fresh laid eggs. The heaviest withdrawals are in November.





MISS JAFFRAY:

Then a good many cold storage eggs are in the market now.

DR. HOWE:

I understand that more than half of the eggs sold in the market at this time of the year as top grades are cold storage eggs.

MISS JAFFRAY:

But, Dr. Howe, how are consumers to know when they ask for fresh eggs that they are not getting cold storage eggs? There is no certain way for a housewife to tell whether the egg is fresh or cold storage, is there?

DR. HOWE:

Not unless she lives in one of the states which require by law that cold storage eggs must be labeled as such.

MISS JAFFRAY:

But, Dr. Howe, if more eggs are produced in the Spring and early Summer than consumers demand, then the farmer must receive low prices for his eggs at that time?

DR. HOWE:

He does, Miss Jaffray.

MISS JAFFRAY:

These eggs, as I understand it, are sold months later when consumer prices have gone way up.

DR. HOWE:

That's right.

MISS JAFFRAY:

Dr. Howe, it seems to me unfair that the farmer selling his surplus eggs in the season of the year when egg prices are lowest gets no benefit from the higher prices that prevail when they are taken out of cold storage and placed on the market.

DR. HOWE:

But the farmer, Miss Jaffray, has to sell his eggs when he can. He can't hold his surplus Spring eggs until Fall and Winter come around.

The wholesaler or middleman who bought them and placed them in cold storage is able to take advantage of the removal of fresh egg competition when the hens stop laying, as they do at this time of year up to December 1st. The price of cold storage eggs is kept only low enough to compete success-



fully with current prices of fresh eggs.

MISS JAFFRAY:

You mean that, if fresh eggs are scarce, the consumer has to pay a higher price for cold storage eggs.

DR. HOWE:

That is correct. That's the situation this year.

MISS JAFFRAY:

Dr. Howe, in our last talk we discussed the middleman and the share he gets of the money the consumer spends for food. Don't the farmer's eggs pass through too many hands?

DR. HOWE:

As I pointed out in our last talk, Miss Jaffray, the question of distribution charges in regard to food and other commodities is most important to you consumers. The larger the costs and profits of the middleman, the more you pay for your eggs and other foods. All these costs and profits are included in the prices you pay.

MISS JAFFRAY:

These middlemen who handle the farmer's eggs from the time they leave the farm until they reach the consumer--couldn't some of them be eliminated?

DR. HOWE:

The distributors in the egg industry would point out that, because of the perishable nature of eggs, the processes and methods which must be used to get them to the big consuming centers make the marketing of eggs a costly operation. They would also point to the cost of candling and grading and packing eggs, the cost of transporting them in special refrigerated cars, the cold storage charges and the labor and other costs.

I don't know the facts on all the ramifications of the business, but there is no doubt that some of the middlemen costs could be eliminated. In big cities you will find duplication of transactions in the egg business. Two middlemen handle a transaction that could be done just as well by one.

MISS JAFFRAY:

Dr. Howe, doesn't the Agricultural Adjustment Administration plan to help the egg producer just as it has been helping the wheat, cotton and other farmers?

DR. HOWE:

Yes, a plan is being worked out. And it will interest you consumers to know that through a code of fair practices filed by the poultry and egg industry it is hoped a method for more orderly marketing will be established which will lead to the elimination of unnecessary costs and bring about uniform





standards of quality for eggs.

MISS JAFFRAY:

Consumers could help to raise the standard of eggs sold.

DR. HOWE:

They certainly could, Miss Jaffray. By demanding eggs of good quality, they would stimulate the farmers to produce more of them and cause retail dealers to keep only good quality eggs for sale.

MISS JAFFRAY:

Dr. Howe, will you tell us about Government graded eggs?

DR. HOWE:

Every housewife to buy eggs intelligently should be familiar with the Government grade standards. The Government supplies grading service for eggs, just as it does for canned goods, beef, butter, turkeys and chickens. There are three United States grade standards for eggs placed on the market for consumer sale. The highest grade is known as U. S. Special, the next, U. S. Extra, and the third U. S. Standard.

MISS JAFFRAY:

How can consumers who ask for Government graded eggs know that they are getting them?

DR. HOWE:

If you buy the U. S. Special or the U. S. Extra Grade, you can tell by the carton. Every carton containing eggs of either grade has on it a certificate of quality and grade designation from the Government. You don't have to take the dealer's word that these Government graded eggs are fresh. There is a date stamped on each certificate so you know just how long it has been since the eggs were graded.

MISS JAFFRAY:

Consumers who buy these Government graded eggs can be sure of getting their money's worth.

DR. HOWE:

Exactly. That's the advantage of grade standards for foods and all other goods. The consumer gets his money's worth.

MISS JAFFRAY:

If my dealer does not carry these Government graded eggs, he can get them, can't he?





DR. HOWE:

Yes. Demand that he get them and he will.

MISS JAFFRAY:

Dr. Howe, I read somewhere that we do not eat enough eggs in the United States.

DR. HOWE:

We don't. Even in normal times consumer demand for eggs has never been what it should be. It has been estimated that only about five-sixths of an egg a day is eaten by each person in the United States, if the number of eggs consumed annually were divided among the whole population. Canadians eat, on the average, one egg a day per person.

MISS JAFFRAY:

If more eggs were eaten, the farmer would have a larger market for his eggs, and the American people would enjoy a higher standard of nutrition.

DR. HOWE:

That's the point, Miss Jaffray. Another thing I want to bring up and impress upon you consumers is intelligent buying of eggs. Fads in clothes make the price of clothes higher. There are consumer fads in eggs that make egg prices higher. In Boston, for instance, brown shelled eggs are sold at a higher price than white eggs. In New York the reverse is true, brown eggs bringing lower prices than white.

MISS JAFFRAY:

There is no difference in quality, is there?

DR. HOWE:

None at all. A good egg is a good egg whether its shell is white or brown. Another myth is that an egg with a pale yolk is of better food value than one with an orange colored yolk. There is not a bit of difference in food value.

MISS JAFFRAY:

Dr. Howe, I agree with you that consumers should be more intelligent about buying. The consumers have a lot to do in helping along the Recovery Program.

ANNOUNCER:

You have just heard Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, and Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, discuss egg prices. Each Thursday afternoon at this time an interview between officers of the Federation and Dr. Howe dealing with problems of the consumer is broadcast by the National Broadcasting Company and its associated stations.

